

HOUSE BILL 2913

By Whitson

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 1, relative to the keeping and maintenance of certain records by taxpayers who are subject to taxes that are administered by the department of revenue, the department's access to such records, and the imposition of noncompliance penalties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 1, Part 1 is amended by adding the following as a new Section:

(a) All persons and entities subject to any tax administered by the commissioner shall keep and preserve suitable records from which the taxpayer and the commissioner can determine the Tennessee tax liability, if any. All such records, in whatever paper, electronic or other form they are maintained, shall be open to examination at all reasonable hours to the commissioner or any authorized agents of the commissioner. The taxpayer shall comply with reasonable requests by the commissioner or the commissioner's authorized agents to produce its records in a form and manner that can be utilized by the department.

(b) Any taxpayer who fails to comply with the provisions of this Section shall be assessed taxes plus any applicable penalty and interest based on the best information available to the department and the burden shall be on the taxpayer to show by clear and cogent evidence that the assessment is incorrect. In addition, notwithstanding any provision of law to the contrary, a taxpayer in violation this Section, in addition to all

other applicable penalties, shall be assessed a record-keeping noncompliance penalty of ten percent (10%) of any tax assessed under the provisions of this subsection.

SECTION 2. This Act shall take effect upon becoming law, the public welfare requiring it.